

Credit Societies (PACS) in the nine States *viz.* Andhra Pradesh, Maharashtra, Madhya Pradesh, Rajasthan, Uttarakhand, Haryana, Gujarat, Uttar Pradesh and Orissa which have executed Memorandum of Understanding (MoU) with NABARD and Government of India for implementing the Package is in progress. States of Bihar, Goa, Arunachal Pradesh, Tripura, Meghalaya, Manipur and U.T. of Dadra & Nagar Haveli have given their consent to the package.

(c) The agriculture credit disbursed through the Cooperative Credit Structure in the year 2005-06 was Rs. 39,404 crores. With the implementation of the package, this amount would go up substantially. It is expected that the flow of agricultural credit and the extension of Self Help Group (SHG) Bank Linkage Programme will help in reducing the role of money lenders. As on 31st December, 2006, about 24.82 lakh SHGs have been credit linked. Besides, as on 25th January, 2007, about 24.33 lakh SHGs have been provided bank loans under the Swarn Jayanti Gramin Swarojgar Yojana under the Ministry of Rural Development.

(d) Further, a Micro Financial Sector (Development and Regulation) Bill, to be introduced in the current session of Parliament, is expected to provide a legal framework for the entities engaged in micro finance and facilitate an environment for development of micro finance services in the country with greater transparency, effective management and better governance. This will, further, facilitate the flow of micro finance services to the un-banked population of the country.

### **Rise in personal debt**

\*114. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there has been a substantial rise in the personal debt, which is in the form of credit card outstanding balances, personal loans, vehicle loans, home loans etc. by our countrymen since last three years;

(b) if so, the details thereof and how much of foreign amount has been borrowed by our countrymen as personal debt;

(c) whether Government in this regard sees any alarming and perilous situation in the future economy; and

(d) if so, the details thereof and Government's response thereto?

**THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM):** (a) and (b) Yes, Sir. The outstanding loans in the retail portfolio-comprising housing loans, loans for consumer durables, credit card receivable, auto loans and other personal loans-of all banks as on 31st March 2004, 2005 and 2006 are as under:—

(Amount in Rs. crore)			
Particulars	March-2004	March-2005	March-2007
Housing Loans	89,449	1,34,276	1,79,116
Loans for Consumer Durables	6,256	3,810	4,469
Credit Card Receivables	6,167	8,405	12,434
Auto Loans	NA	35,043	61,369
Other Personal Loans	87,170	85,077	1,18,351
<b>TOTAL:</b>	<b>1,89,042</b>	<b>2,66,611</b>	<b>3,75,739</b>

In terms of extant regulations, general permission is available to an individual resident in India to borrow from his/her close relatives outside India in such a manner that the amount outstanding at any given point of time does not exceed US\$ 2,50,000/-or its equivalent, subject to the conditions that (i) the minimum maturity period of the loan is one year (ii) the loan is free of interest; and (iii) the amount of loans is received by inward remittance in free foreign exchange through normal banking channels or by debit to the Non-Resident External (NRE)/Foreign Currency Non-Resident (FCNR) account of the non-resident lender. Reserve Bank of India (RBI) does not collect data about such borrowings.

(c) and (d) In its Third Quarter Review on Annual Statement on Monetary Policy for the year 2006-07, RBI has expressed concern over the continued high credit growth in the real estate sector, outstanding credit card receivables, loans and advances qualifying as capital market exposure and personal loans. Accordingly, RBI has taken prudential and regulatory measures including increasing the provisioning requirement and risk weights in respect of the aforesaid categories of loans and advances.